

REVISED FISCAL IMPACT STATEMENT ON BILL NO. H. 3590 Committee Amendment

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TO:	The Honorable James H. Harrison, Chairman, House Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Earle Powell, Allan Kincaid and Beth Quick		
DATE:	April 18, 2008	SBD:	2008242

AUTHOR:	House Judiciary - Committee Report	PRIMARY CODE CITE:	1-30-10
SUBJECT:	South Carolina Restructuring Act		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

House Bill 3590 Committee Report is the South Carolina Restructuring Act. The Bill would create a Department of Administration within the executive branch of state government and provide for legislative oversight of executive departments.

EXPLANATION OF IMPACT:

House of Representatives

The House of Representatives reports that it would require 6.00 FTEs for research staff positions at an annual cost to the General Fund of \$460,800 for salary, fringe and other operating expenses.

The Senate

The Senate reports that it would require 6.00 FTEs for research analysts at an annual cost to the General Fund of \$470,000 for salary, fringe, travel and other operating expenses.

Governor's Office – Office of Executive Policies and Programs (OEPP)

OEPP indicates that this Bill will have minimal impact assuming funding follows for administrative functions such as finance and accounting, human resources and information technology.

Legislative Audit Council (LAC)

This Bill would require the LAC to perform reviews and audits as directed by the legislature. Depending on the number of requests for audits and reviews, the Council would likely need an additional audit team. An audit team would require 4.00 FTEs including one Audit Manager, one Senior Auditor, and two Associate Auditors at an annual recurring cost to the General Fund of \$282,460. The first year would also include non-recurring cost to the General Fund of \$20,000 for furniture, computers and related equipment.

State Budget and Control Board

A review of the Bill by Budget and Control Board staff indicates there will be a significant impact that cannot be quantified at this time. The amount of increase that will be incurred is dependent, in part, upon the level at which resources must be duplicated within the new Department of Administration and Budget and Control Board. Duplication is expected in order to maintain necessary levels of expertise and operational support within two separate agencies. As one concrete example of resource duplication and increased cost, the

division of General Services into the State House, Legislative, and Judicial Facilities Operations Division and the Division of General Services in the Department of Administration will result in duplication of trades and administrative personnel, equipment, tools and supplies to maintain facilities.

Recapitulation

Excluding consideration of the impact on the State Budget and Control Board first year costs associated with enactment can be estimated at \$1,233,260 which includes salaries and fringe for 16.00 FTEs (including 4.00 FTEs for the LAC). Costs annually thereafter are estimated at \$1,213,260 excluding the impact on the State Budget and Control Board.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

OEPP indicates there is no reference in this Bill of the Office of Guardian ad Litem which is currently part of that office.

The italicized portion of this impact indicates the items that have been revised. For this impact, the revised constitutes information that was not available in the original impact.

Approved by:

A handwritten signature in black ink that reads "Harry Bell". The signature is written in a cursive style with a large, looped "H" and a long, sweeping "B".

Harry Bell
Assistant Director, Office of State Budget